

The Division Report

SOUTH CAROLINA
State Board of Financial Institutions
The Honorable Curtis M. Loftis, Jr.
State Treasurer

April 2018

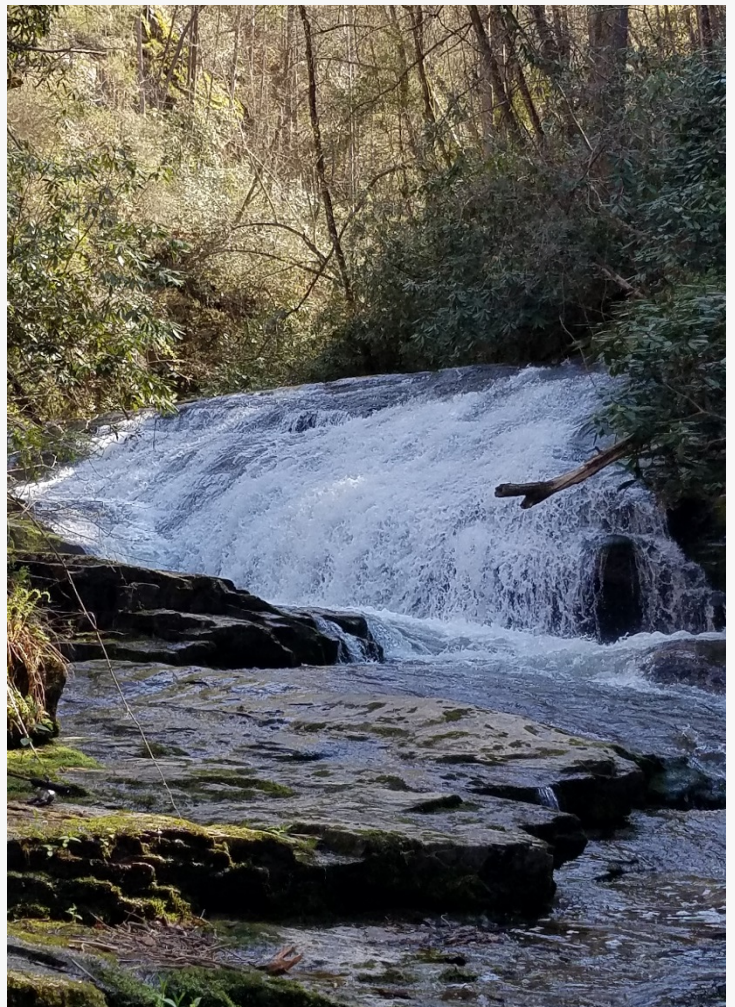
SC-Board of Financial Institutions – Consumer Finance Division

From the Commissioner of Consumer Finance

Ronald R. Bodvake

I would like to thank all of our licensees for another successful mortgage renewal season. We appreciate your ongoing patience as we process the high volume of new Mortgage Loan Originator (MLO) applications. The Division is continuing to evolve to make the licensing, examination and renewal processes more efficient. We have also added a new team member to our licensing team to help reduce current processing times. I would like to take this time and remind our licensees how you can expedite the licensing process, better prepare for examinations and continue to have a smooth renewal process.

In order to expedite the licensing process, start by checking the NMLS Resource Center for all new application/amendment checklists. A great tip for new branches and MLO's is to be sure to upload all required documents at the time of application. For MLO's the most common errors we see are the companies not associating the MLO's to the correct branch locations (updating MU1-Licensed Individuals) and the MLO's not updating their employment/residential histories. Because of the high volume of applications, if items are missing or incorrect at the time the application is submitted, approval can be delayed for several days.



Finally, this upcoming mortgage renewal cycle, 1 hour of state specific CE will be required for all MLO's. Be sure to review all education requirements in the NMLS Resource Center for South Carolina and all states where you are licensed. As a reminder, the Division does not issue mortgage licenses annually. Additionally, the Division will no longer be sending any licenses out for new or amended mortgage licenses. Please see the license notice within this newsletter for more detailed information regarding license display requirements and issuing changes. If you have any questions or concerns please contact the Division at cfid@bofi.sc.gov.

Supervised and Restricted Expiration

The Supervised and Restricted License renewal period has ended. Renewals were due to the Division February 1, 2018. If a renewal payment was not received, the license has now expired.



No supervised loan activity may take place without first applying for and obtaining a new license from the SC Board of Financial Institution. Application for licensure and instructions may be found on the Division's website at www.consumerfinance.sc.gov.

2017 Supervised and Restricted Annual Report Due

Annual reports are required by statute for both Restricted and Supervised Lenders. The purpose of the report is to provide a summary of information regarding consumer finance business that was conducted during the calendar year 2017 in the State of South Carolina.

Restricted Lenders: The Restricted Annual Report will be mailed to the address on file. The form has not changed. The deadline for submission is April 1st, 2018.

Supervised Lenders: The Supervised Annual Report is available for download below. The 2017 Supervised Annual Report is in a new format. The deadline for submission is April 15th, 2018.

- See 2017 Supervised Annual Report Instructions link for line by line instructions and frequently asked questions. <http://www.consumerfinance.sc.gov/consumer-lending/reports.aspx>.
- Submit the annual report in Excel format to reports@bofi.sc.gov
- Do not change formatting or file type.



How to Cancel Supervised or Restricted License

** Instructions are found on our website on the Consumer Lending tab on the Supervised Amendment Checklist. **

Return the original Supervised Lender's License and submit in writing on company letterhead the following:

1. Reason for surrender/cancellation.
2. Location of books and records.
3. Submit effective date of cancellation.
4. If original license is lost/destroyed state lost/destroyed.
5. If license has a dba name containing a URL address (i.e. www.____.com) submit a written statement that the license posted on the website has been removed.
6. Submit a list of accounts (include account number, outstanding balance and the consumer's name) sold and/or transferred to another approved Supervised Lender.

****NOTE: Per South Carolina Law Code 37-3-502, no servicing activity may be conducted without an active Supervised license.**



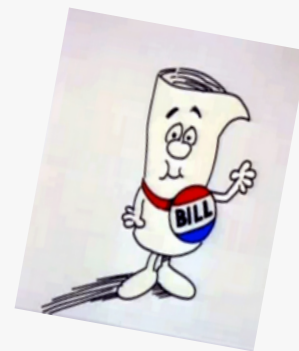
Maintaining Your Deferred Presentment License

- ✓ **Deferred Presentment Database:** A Deferred Presentment provider must be licensed pursuant to SC §34-39-130. The licensee must be registered and have completed required training with the database provider, Veritec Solutions, LLC. Contact Veritec Solutions, LLC at 1-888-723-7701 or via email at mail@veritecs.com for instructions.
- ✓ **Lost or Misplaced License:** To replace a lost or misplaced license, submit a written request on company letterhead to the division at the above address or email cfd@bofi.sc.gov. Requests must include the license number, name and address.
- ✓ **Changes to a License:** To make changes or corrections to a license see instructions on the Deferred Presentment Amendment Checklist at www.consumerfinance.sc.gov.
- ✓ **Posting the License:** The licensee must conspicuously post their license for public display pursuant to §34-39-130(A). A person may not engage in the business of deferred presentment services without first obtaining a license pursuant to this chapter. A separate license is required for each location from which the business is conducted.
- ✓ **News and Updates:** Please bookmark our website www.consumerfinance.sc.gov for news and updates regarding the Deferred Presentment License.



Senate Bill 366: Recap

Effective September 16, 2017 Senate Bill 366 amended the Mortgage Lending Act to reduce the regulatory burden on the industry while maintaining consumer protection for our Division. Please see http://www.scstatehouse.gov/sess122_2017-2018/bills/366.htm to read all of the changes in the Bill and see below for brief recap of some of the most common questions:



Who does BOFI regulate?

BOFI licenses and regulates Mortgage Lenders and Servicers.

Did the Senate Bill remove the Brick and Mortar requirement?

No.

There has never been Brick and Mortar requirement for Mortgage Lender/Servicers.

Have Pre-Licensure Education (PE) and Continuing Education (CE) requirements changed?

Yes.

NMLS must reflect the required 20 hours of NMLS approved Pre-Licensure education courses. Three (3) hours South Carolina specific training is required.

Continuing Education: As a condition for license renewal, an MLO is required to complete at least eight (8) hours of CE in the same year in which he/she is placed in an approved license. One (1) hour South Carolina specific training is required.

Are South Carolina Criminal Background Checks (SLED) still required?

No.

Only a Federal Criminal Background Check (FBI) is required and completed through NMLS.



Company, Branch and MLO Licenses – Print and Post from Consumer Access

According to SCCPC 37-22-180 (B) " A mortgage lender licensed pursuant to this chapter shall display in plain view in its principal office and in each branch the license issued by the commissioner. A loan originator licensed pursuant to this chapter shall display in each branch office in which mortgage loans are originated a copy of the license issued by the commissioner."

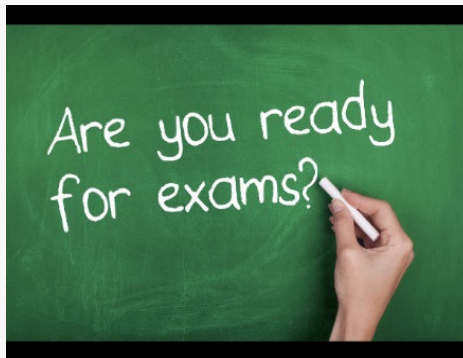
Given the uncertainty regarding the new NMLS 2.0 system and how its capabilities will affect licensing in the future; and given the high volume of new license applications currently being received by the Division, the Division will authorize licensees to print a copy of the NMLS User Access page showing their license status and post it in place of a formal license until further notice.

Please see the News and Information section of our website for the Notice and example posted on February 9, 2018

<http://www.consumerfinance.sc.gov/news-and-information/files/Important%20Notice%20-%20License.pdf> and see Consumer Access for User Access page <http://www.nmlsconsumeraccess.org/>.

Mortgage Examinations: How to Prepare

When it comes to examinations of mortgage companies the greatest yet most overlooked resource available is our website www.consumerfinance.sc.gov. The most common question asked is, "What should we expect during an examination?" In order to better prepare companies for examinations the Division has published the Mortgage Examination Questionnaire. All companies are encouraged to review this form, located on the Resource Center section of our website consumerfinance.sc.gov/content/?page=resource-center. After reviewing the Questionnaire make sure to look at the most common citations found during exams. This list can also be found on the Resource Center section, under the Examination Findings. Preparing for an examination and reviewing the possible errors can help your company confidently move through the examination process with potentially fewer numbers of citations or better yet, no citations at all.



ONLINE TOOLS

- Visit our website www.consumerfinance.sc.gov.
- To file Complaints (Consumer Loan, Payday Loan or Mortgage) see <http://www.consumerfinance.sc.gov/complaints/>.
- FAQ's see: <http://www.consumerfinance.sc.gov/faqs/>.
- Submit feedback to the Division at cfid@bofi.sc.gov.
- Most common Exam Findings/Citations:
<http://www.consumerfinance.sc.gov/content/?page=resource-center>.
- Notes from the Chairman's Desk:
<http://www.bofi.sc.gov/notesfromtheChairmansdesk/Pages/default.aspx>.
- Unclaimed Property search <https://treasurer.sc.gov/unclaimed-property>.

